

AMENDED IN ASSEMBLY APRIL 3, 2013
AMENDED IN ASSEMBLY MARCH 21, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1282

Introduced by Assembly Member Bonta
(Coauthor: Assembly Member Bocanegra)

February 22, 2013

An act to amend Section ~~14408~~ *14351* of the Financial Code, relating to financial institutions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1282, as amended, Bonta. Financial institutions: credit unions.

Existing law, the California Credit Union Law, provides for the regulation of credit unions. Existing law prohibits membership shares, certificates for funds, or other securities from being issued by any credit union until it has applied for and obtained a certificate authorizing it to act as a credit union.

Existing law authorizes the Commissioner of Financial Institutions until July 1, 2013, and thereafter the Deputy Commissioner of Business Oversight for the Division of Financial Institutions pursuant to Governor's Reorganization Plan No. 2 of 2012, to annually levy on and collect from credit unions holding certificates authorizing them to act as credit unions an assessment in an amount sufficient to meet the expenses for administering this law and other laws relating to credit unions or the credit union business and in order to provide a reasonable reserve for contingencies. Under existing law, the amount of the annual assessment is required to be the greater of \$1,500 or the sum of the products determined by multiplying increments of the credit union's

total assets by percentages of the base assessment rate according to a table with increments of total assets up to an excess over \$10,000,000.

This bill would delete that table used for determining the annual assessment and would establish a new table with increments of total assets up to an excess of over \$10,000,000,000.

~~Existing law, the California Credit Union Law, provides for the regulation of credit unions. A willful violation of the California Credit Union Law is a crime. Existing law prohibits a credit union from making any gift or donation having a value in excess of \$25,000 unless the gift or donation is in the best interest of the credit union, is approved by a resolution of the board of directors and is in conformance with any regulation or order, as specified.~~

~~This bill would instead prohibit a credit union from making any gift or donation in excess of \$30,000 subject to those requirements. By changing the definition of a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: *yes-no*.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 14351 of the Financial Code is amended*
2 *to read:*

3 14351. (a) The amount of the annual assessment on any credit
4 union holding a certificate authorizing it to act as a credit union
5 shall be the greater of (1) one thousand five hundred dollars
6 (\$1,500) or (2) the sum of the products determined by multiplying
7 (A) increments of the credit union’s total assets by (B) percentages
8 of the base assessment rate, according to the following table:
9

10 Total Assets	Percentage of Base
11 (In millions)	Assessment Rate
12 First \$3	85.0%
13 Next \$3	30.0%
14 Next \$4	12.5%

1	Excess over \$10	11.0%
2		
3	<i>Total Assets</i>	<i>Percentage of Base</i>
4		<i>Assessment Rate</i>
5	\$0-\$3,000,000	85.0%
6	\$3,000,000-\$6,000,000	25.0%
7	\$6,000,000-\$10,000,000	13.0%
8	\$10,000,000-\$100,000,000	12.5%
9	\$100,000,000-\$500,000,000	12.25%
10	\$500,000,000-\$1,000,000,000	12.0%
11	\$1,000,000,000-\$2,000,000,000	11.5%
12	\$2,000,000,000-\$5,000,000,000	8.0%
13	\$5,000,000,000-\$10,000,000,000	3.5%
14	Excess over \$10,000,000,000	3.0%

15
 16 (b) The base assessment rate for each annual assessment shall
 17 be fixed by the commissioner but shall not exceed two dollars and
 18 twenty cents (\$2.20) per one thousand dollars (\$1,000) of total
 19 assets.

20 SECTION 1. ~~Section 14408 of the Financial Code is amended~~
 21 ~~to read:~~

22 ~~14408. No credit union shall make any gift or donation having~~
 23 ~~a value in excess of thirty thousand dollars (\$30,000) unless the~~
 24 ~~gift or donation is in the best interest of the credit union, is~~
 25 ~~approved by a resolution of the board of directors and is in~~
 26 ~~conformance with any regulation or order that the commissioner~~
 27 ~~may issue. The resolution of the board of directors approving the~~
 28 ~~gift or donation shall identify the recipient of the gift or donation,~~
 29 ~~state the value of the gift or donation, and specify the basis for the~~
 30 ~~board's determination that the gift or donation is in the best~~
 31 ~~interests of the credit union. The board may establish a budget for~~
 32 ~~gifts and donations and authorize appropriate officials of the credit~~
 33 ~~union to select recipients and disburse budgeted funds among those~~
 34 ~~recipients.~~

35 SEC. 2. ~~No reimbursement is required by this act pursuant to~~
 36 ~~Section 6 of Article XIII B of the California Constitution because~~
 37 ~~the only costs that may be incurred by a local agency or school~~
 38 ~~district will be incurred because this act creates a new crime or~~
 39 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
 40 ~~for a crime or infraction, within the meaning of Section 17556 of~~

- 1 ~~the Government Code, or changes the definition of a crime within~~
- 2 ~~the meaning of Section 6 of Article XIII B of the California~~
- 3 ~~Constitution.~~

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